

**Tierra Exploration, Inc.**  
**P.O. Box 56**  
**Midland, Texas 79702**

Phone: 432-682-1005

January 31, 2011

J. Patrick Corrigan  
3645 90<sup>th</sup> Avenue  
Vero Beach, Florida 32966

RE: 1.2500 Net Acres being a 1/32 Mineral Interest in SW/4SW/4  
Section 28, T-16-S; R-37-E, N.M.P.M., Lea County, New Mexico,  
containing 40.00 acres, more or less

Dear Mr. Corrigan:

Per our conversation of January 25, 2011, please find enclosed an Oil, Gas and Mineral Lease covering the captioned acreage. Please execute this lease, have your signature notarized and return same to us in the envelope provided. For your records, terms offered are as follows:

<u>Bonus:</u>	NONE
<u>Royalty:</u>	1/4 (One-Fourth)
<u>Terms:</u>	270 Days

As discussed, our client, Burgundy Oil & Gas, Inc. of Midland, Texas is in the process of restoring production of oil and gas from the Homestake No. 1 Well which effectively stopped producing in April of 2009. Burgundy's engineers believe that there are some minor downhole problems such as a stuck pump caused by paraffin build-up etc. which shut down this well. However, the well may have ceased producing as a result of a casing leak, which would require a major capital expenditure. The well has produced approximately 27,000 barrels of oil and 21 MMCF of gas to date from the Paddock formation with perforations at 6277 to 6294 feet. Because of financial difficulties, the previous operator was unable to put the well back into production and all of the previous leases taken in 1997 have expired. Burgundy is confident that the well can be restored and produce considerable additional barrels of oil and cubic feet of gas. Because of the considerable effort and expense involved in taking over this well, and due to the hundreds of mineral interest owners involved, we are attempting to reduce the capital investment on the "land side" of the process by leasing only the minimum amount of acres required by the NMOCD to restore the Homestake No. 1 Well to full production status.

Thank you for all of your help and consideration in this matter.

Sincerely,

TIERRA EXPLORATION, INC.

Ralph Lea, Jr., CPL  
President

RLJr/eds

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. 6  
Submitted by:  
**BURGUNDY OIL & GAS, INC.**  
Hearing Date: April 26, 2012

## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made and entered into this 31st day of January, 2011, by and between J. Patrick Corrigan, dealing in his sole and separate property,  
3645 90<sup>th</sup> Avenue, Vero Beach, Florida 32966 hereinafter called "Lessor", whether one or more, and Burgundy Oil & Gas, Inc., 401 West Texas, Suite  
1003, Midland, Texas 79701 hereinafter called "Lessee".

WITNESSETH; That, for and in consideration of the sum of Ten and No/100 Dollar (\$10.00), receipt of which is hereby acknowledged and of the royalties herein provided and the agreements of Lessee herein contained Lessor does hereby grant, lease and let exclusively unto Lessee, its successors and assigns, all of the land hereinafter described, together with any reversionary rights therein, for the purpose of exploring by geological, geophysical and all other methods, and of drilling, producing and operating wells or mines for the recovery of oil, gas and other hydrocarbons, and all other minerals or substances, whether similar or dissimilar, that may be produced from any well or mine on the leased premises, including primary, secondary, tertiary, cycling, pressure maintenance methods of recovery and all other methods, whether now known or unknown, with all incidental rights thereto, and to establish and utilize facilities for surface and subsurface disposal of salt water, and to construct, maintain and remove roadways, tanks, pipelines, electric power and telephone lines, power stations, machinery and structures thereon, to produce, store, transport, treat and remove all substances described above, and the products therefrom, together with the right of ingress and egress to and from said land. The land hereby leased is situated in the County of Lea, State of New Mexico, and is described as follows:

**SW/4SW/4 Section 28,  
T-16-S, R-37-E, N.M.P.M.**

This lease covers all of the land described above, including any interests therein that any signatory hereto has the right or power to lease, and in addition it covers, and there is hereby granted, leased and let, upon the same terms and conditions as herein set forth. The bonus money paid for this lease is in gross, and not by the acre, and shall be effective to cover all such land irrespective of the number of acres contained therein; but the land included within this lease is estimated to 40.00 acres, whether actually more or less, and such land is hereinafter referred to as the "leased premises".

TO HAVE AND TO HOLD the leased premises for a term of 270 Days years from the date hereof, hereinafter called "primary term", and as long thereafter as oil, gas or other hydrocarbons, or other minerals or leased substances, or either or any of them, are produced from the leased premises or from lands with which the leased premises are pooled or unitized.

In consideration of the premises, it is hereby agreed as follows:

1. **Royalty On Oil.** Lessee shall deliver to Lessor, at the well or to the credit of Lessor in the pipeline to which the well may be connected, 1/4 of all oil and other liquid hydrocarbons produced and saved from the leased premises, or Lessee, at its option, may buy or sell such 1/4 royalty and pay Lessor the market price for oil or liquid hydrocarbons of like grade and gravity prevailing in the field on the day such oil is run into pipelines or into storage tanks. Lessor's royalty interest in either case shall bear its proportion of any expenses for transporting and treating oil to make it marketable as crude.

2. **Royalty On Gas.** Lessee shall pay to Lessor as royalty on gas, including casinghead gas or other gaseous substances produced from said land and sold on or off the premises, 1/4 of the net proceeds at the well received from the sale thereof, provided that on gas used off the premises or by Lessee in the manufacture of gasoline or other products therefrom, the royalty shall be the market value at the well of 1/4 of the gas so used; as to all gas sold by Lessee under a written contract, the price received by Lessee for such gas shall be conclusively presumed to be the net proceeds at the well or the market value at the well for the gas so sold.

3. **Royalty On Other Substances.** Lessee shall pay to Lessor, as royalty on any substances covered by this lease other than oil and gas and the products thereof which Lessee may elect to produce, save and market from the leased premises, 1/4 of the proceeds received by Lessee from the sale thereof after deducting the processing costs.

4. **Shut -In Gas Royalty.** If at any time, or from time to time, either before or after the expiration of the primary term of this lease, there is any gas well on the leased premises or on lands with which the leased premises are pooled or unitized and which is capable of producing in paying quantities, but which is shut in before or after production therefrom, such well shall be considered under all provisions of this lease as a well producing gas in paying quantities and this lease shall remain in force in like manner as though gas therefrom was actually being sold or used. In such event, Lessee covenants and agrees to pay Lessor, as royalty, the sum of Forty and no/100 Dollars (\$40.00) per annum for the period commencing on the date such well is actually shut in, unless this lease is being maintained in force and effect by some other provision hereof, in which event, such period shall commence on the date this lease ceases to be maintained in full force and effect by some other provision hereof. Payment or tender shall be made to Lessor, or deposited to the credit of Lessor in the depository bank named in this lease. The first payment shall be due and payable on or before ninety (90) days after the date such well is shut in, or ninety (90) days from the date this lease ceases to be maintained in force by some other provision hereof. Unless gas from such well is produced and sold or used prior thereto, except temporary sales, or use for lease operations, subsequent payments shall be due annually thereafter on the anniversary date of the period for which such prior payment was made. No additional payments shall be required if there is more than one shut-in gas well on the leased premises or on lands with which the leased premises are pooled or unitized. The term "gas well" shall include wells capable of producing natural gas, condensate, or any gaseous substance, and wells classified as gas wells by any governmental authority having jurisdiction.

5. **Drilling Operations.** If Lessee should drill and abandon as a dry hole a well on the leased premises, or if after the discovery oil, gas or other minerals, the production thereof should cease from any cause, and, in either event there are no other producing wells on the leased premises or on lands with which they are pooled or unitized, or drilling or reworking operations are not being conducted thereon, this lease shall not terminate if Lessee commences reworking or additional drilling operations on the leased premises within sixty (60) days thereafter or, if it be within the primary term, Lessee commences or resumes the payment or tender of rentals or commences operations for drilling or reworking on or before the rental paying date next ensuing after the expiration of ninety (90) days from the date of such abandonment or cessation of production. If such abandonment or cessation of production occurs at any time during the last fifteen (15) months of the primary term, no rental payment or drilling operations are necessary to keep the lease in force during the remainder of the primary term. If, at the expiration of the primary term, oil, gas or other minerals are not being produced from the leased premises or from lands with which the leased premises are pooled or unitized, but Lessee is then engaged in operations for drilling or reworking of any well, this lease shall remain in force so long as such drilling or reworking operations are prosecuted, or reworking operations on any well or additional drilling operations are conducted on the leased premises, or on land pooled or Unitized therewith, with no cessation of more than sixty (60) consecutive days, and if any such operations result in production then as long thereafter as such production continues.

6. **Pooling.** Lessee is hereby granted the right, at any time and from time to time, whether before or after production, to pool this lease for the production of oil, gas or condensate, or any or either of them, as to the land covered hereby, or any zone or portion thereof, or as to any mineral or royalty interest therein, with any other lease covering the above described land, or lands adjacent, contiguous, adjoining, or in the immediate vicinity thereof, or as to any zone or portion of said lease or any mineral or royalty interest therein. Such pooling shall be into a unit or units not exceeding forty (40) acres plus an acreage tolerance of ten percent (10%) thereof for oil, and units not exceeding six hundred forty (640) acres each plus an acreage tolerance of ten percent (10%) thereof for gas, provided that, should governmental authority having jurisdiction prescribe or permit the creation of any drilling, spacing or proration units larger than those specified above, such units may be created or enlarged to conform in size to the drilling or spacing units so prescribed or permitted or to the proration units as may be authorized for obtaining the maximum allowable production from one well. Lessee may pool the acreage or interests above described, or any portion thereof, as above provided, as to oil, or gas in any one or more zones, and units so formed need not conform in size or area with the unit or units into which the lease is pooled, or combined as to any other zone, and oil units need not conform as to area with gas units. Such pooling shall be effected by the filing by Lessee of a written designation, in the county, or counties, in which the premises are located, identifying and describing the pooled unit. The production of oil, gas or condensate from any zone or portion of the land so pooled and the development and operation on such land, including the commencement, drilling, completion and operation of a well thereon, or the existence thereon of a shut-in gas well, shall be considered and construed and shall have the same effect, except for the payment of royalty, as production, development and operation, or the existence of a shut-in gas well on the leased premises, regardless of the location of the well on the Unit. Production from any unit well producing oil, gas or condensate shall be allocated to the leased premises in the proportion that the acreage of the leased premises included within the units bears to the total acreage in the unit, and the royalty provided for herein shall be calculated on the portion of the production so allocated. The royalty so payable on allocated, production shall be in lieu of any other royalty that would accrue to Lessor from the production of oil, gas or condensate from any zone or portion of the leased premises included within the Unit. Shut-in gas royalty, with respect to unit shut-in gas wells, shall be payable in accordance with the provisions and in the amount set forth in this lease. In the event any unit well shall fail to produce oil, gas or condensate in paying quantities, or in the event the production from any such well shall cease, Lessee may terminate the Unit by filing for record, in the county, or counties where the land is situated, a written declaration of such termination.

7. **Use Of Oil, Gas And Water For Operations.** Lessee shall have the free use of oil, gas and water from the leased premises, except water from Lessor's wells and tanks, for all operations hereunder, and the royalty on oil and gas shall be computed after deducting the amount so used.

8. **Removal Of Equipment.** Lessee shall have the right, at any time during or after the expiration of this lease, to remove all property and fixtures placed on the leased premises by Lessee, including the right to withdraw and remove all casing.

9. **Assignment Or Change Of Ownership.** The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors, and assigns, but no change or division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. No change or division in the ownership of the land, rentals or royalties, however accomplished, shall be binding upon Lessee for any purpose and shall not impair the effectiveness of any payment theretofore made by Lessee (irrespective of whether Lessee has either actual or constructive knowledge thereof) until sixty (60) days after such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor. In the event of an assignment of this lease as to a segregated portion of the land covered by this lease, the rentals payable hereunder shall be apportioned as between the several leasehold owners, ratably, according to the surface area of each, and a default in rental payment by one Lessee shall not affect the rights of other leasehold owners hereunder who make due payments of rentals. An assignment of this lease, in whole or in part, shall, to the extent of such assignment, relieve and discharge Lessee of all obligations hereunder.

10. **Force Majeure.** Lessee shall not be liable for any delays in its performance of any covenant or condition hereunder, express or implied, or for total or partial nonperformance thereof, due to force majeure. The term "force majeure", as used herein, shall mean any circumstance or any condition beyond the control of Lessee, including but not limited to acts of God and actions of the elements; acts of the public enemy; strikes; lockout; accidents; laws, acts, rules, regulations and orders of federal, state or municipal governments, or officers or agent, thereof; failure of transportation; or the exhaustion, unavailability, or delays in delivery, of any product, labor, service or material. If Lessee is required to cease drilling or reworking or producing operations on the leased premises by force majeure, then until such time as such force majeure is terminated and for a period of ninety (90) days after such termination, each and every provision of this lease that might operate to terminate it shall be suspended and this lease shall continue in full force and effect during such suspension period. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

11. **Lessor Interest Clause.** If Lessor does not own, or have the right to lease, the entire mineral interest in the land described above, then the royalties, rentals, and any other sums payable hereunder, shall be reduced and payable only in the proportion that the interest covered by this lease bears to the entire mineral interest in the above described land. If the mineral interest covered hereby is subject to an outstanding nonparticipating royalty, such royalty shall be deducted from the royalties payable to Lessor hereunder.

12. **Surrender.** Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, by delivering or mailing a release to the Lessor or by placing a release of record in the county, or counties, in which the leased premises are situated, and thereupon, Lessee shall be relieved from all obligations, express or implied, of this lease as to the acreage so surrendered.

13. **Parties Bound.** This lease and all of the rights, obligations and conditions hereof shall be binding upon each party executing this instrument and his heirs, devisees, successors and assigns. Should any party named above as lessor fail to execute this lease, or should any party execute this lease who is not named above as a Lessor, it shall nevertheless be binding upon the party or parties executing the same.

14. **Headings For Convenience.** The paragraph headings herein are for convenience only and shall not be considered or construed to limit the subject matter of any paragraph.

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS:**  
**YOUR** [REDACTED]

15. **Paid Up Lease.** Notwithstanding anything contained herein to the contrary, it is specifically understood and agreed that this lease is a Paid Up Oil and Gas Lease and that no delay rentals are due to maintain this lease in full force and effect.

IN WITNESS WHEREOF, this instrument is executed the day and year first above written.

J. Patrick Corrigan, dealing in his sole and separate property

THE STATE OF FLORIDA §  
COUNTY OF INDIAN RIVER §  
ACKNOWLEDGMENT

Before me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared J. Patrick Corrigan, dealing in his sole and separate property known to me to be the identical person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the \_\_\_\_ day of \_\_\_\_\_, A. D. 2011

Notary Public in and for \_\_\_\_\_  
County, \_\_\_\_\_

No. \_\_\_\_\_

OIL, GAS AND MINERAL LEASE

TO

TO

Filed for Record this the \_\_\_\_\_

day of \_\_\_\_\_ A. D. 19 \_\_\_\_\_

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

County Clerk

By \_\_\_\_\_ Deputy.

Recorded \_\_\_\_\_ A. D. 19 \_\_\_\_\_

in \_\_\_\_\_ County

Record of \_\_\_\_\_

Book \_\_\_\_\_ Page \_\_\_\_\_

County Clerk

By \_\_\_\_\_ Deputy.